Learning from precedent: how the British Brexit experience counteracts populism outside the UK

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Learning from Precedent: How the British Brexit Experience Counteracts Populism outside the UK

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Abstract

With the recent rise of nationalist populism, international institutions worldwide have witnessed an increase in animosities, boycotts, and withdrawals. The British withdrawal from the European Union arguably marks the most significant instance of this phenomenon to date. A growing literature examines the origins of populist successes such as the Brexit vote and explores if similar economic, social, and political conditions could fuel equivalent disintegration processes elsewhere. However, less is known about the extent to which such withdrawal episodes *themselves* affect populist pressures for re-nationalization. In this paper, we argue that because the first large-scale disintegration episodes such as Brexit provide new information about the feasibility and desirability of re-nationalization policies, they will affect partisan discourse about similar populist projects in other countries: Depending on the success of such precedents, populists abroad will be encouraged or deterred to follow a similar path. We explore this argument based on a quantitative text analyses of media reports in selected European countries. Our results show that populists in Europe significantly moderate their demands as the Brexit-drama unfolds, suggesting that Brexit provides a reality check for populist pro-Leave arguments. We simultaneously see intra-EU cohesion increase and mainstream discourse become more pro-European. We discuss the implications of our findings for populism and international institutions more generally.

Keywords: populism, international institutions, disintegration, Brexit, elite discourse, learning, political parties

1 Introduction

Since roughly the beginning of the twenty-first century, established Western democracies have witnessed a marked rise in support for nationalist populist movements. This trend has gone hand in hand with increased demands for a re-nationalization of economic and political activity. As a result, the hitherto dominant drive toward constantly deepening globalization and international integration that characterized the second half the previous century has come under pressure. These

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developments have caused considerable concern among political commentators, mainstream politicians, and the wider public in Europe and North America. The content of these concerns goes well beyond narrow economic interests. Rather, it often pertains to fundamental questions of the political organization of modern societies, both domestically and internationally. With regard to the domestic arena, observers worry about populism with an eye to social cohesion, political polarization, and the stability of democracy itself (Gidron and Hall 2020, Galston 2018). With regard to the international arena – the focus of this study – concern stems from the fact that populist rhetoric is more often than not explicitly directed against outsiders, foreign countries, or international institutions.

The rise of populism therefore has potentially severe repercussions for international cooperation and the post-war international order more broadly (Blyth 2016, Hobolt 2016 Ikenberry 2018, Pepinsky and Walter 2019, Rodrik 2017). While a relatively recent phenomenon, the move of nationalist populists from opposition into policy-shaping roles has already resulted in a number of substantial reversals of international integration, such as the US withdrawals from WHO and the Paris Climate Agreement, its boycott of the WTO dispute settlement system, or the UK's exit from the European Union. International cooperation levels have stagnated in recent years, even though there is not (yet) a general trend toward de-globalization in the aggregate (Alter et al. 2016, Copelovitch and Pevehouse 2019, O'Rourke 2019, Pevehouse et al. 2019, Voeten 2019, Walter 2021).

This apparent trend toward a potential halt or reversion of international integration raises the question about the dynamics of this process. Does populist success breed more populist success, or do the drastic policy decisions implemented by populists in government deter voters from nationalist populist parties and proposals? In order to better understand how populist pressures may spread and what this means for the future of international cooperation, we focus on these feedback effects and explore how populist policy experiences in one country travel abroad to affect populist discourse and policies in other countries.

Our argument is that such experiences trigger a learning mechanism, as they change the *interpretation* of the feasibility of populist policy promises. Learning plays a particularly important role in the context of modern populism exactly because populism is a relatively new phenomenon and only a handful of populist leaders and parties have so far been voted into office. This means that the record of information available on the performance these populists leaders, the viability of their policy proposals and the political consequences of pursuing these policies is low – and that, therefore, the information value of new incoming pieces of evidence is high.

We hold that by observing the actions of populist governments or the implementation of populist policies party leaders abroad update their priors about the feasibility and consequences of such policies. This learning process is therefore likely to affect partisan discourse about similar populist projects in other countries. The direction of these effects depends on the fate of these policies and their perceptions abroad: successful policies will encourage populists abroad to pursue similar strategies, while policies that fail to live up to their promises or are politically detrimental to populist politicians and will deter populist parties abroad to promote following a similar path. Moreover, we expect deterrence effects to be particularly strong when mainstream governments

in member states of the affected institution worry about encouragement effects at home that would lead to further disintegration demands and therefore have incentives not to accommodate nationalist populist policies in precedent cases.

We investigate this argument in the context of the British withdrawal from the EU. The European context is particularly interesting for our purposes because eurosceptic populist parties have gained momentum across the continent over the last two decades. While these parties have been vocal in their demands, voters have little actual policy evidence on the basis of which to evaluate the policy ideas of these parties. This has changed dramatically with the UK's vote to leave the European Union and the election of a government with strong nationalist-populist leaning. The Brexit referendum and the UK's withdrawal from the EU in January 2020 proved that leaving the EU is a real possibility. At the same time, the Brexit process gradually revealed dramatic discrepancies between the populist promises of Brexit proponents and the realities of the actual negotiations. Thus, Brexit provides a highly-visible 'first case' to learn from context where many potential learners have policy goals similar to those of the Brexiteers, and a case which exhibits considerable variation in its apparent success over time.

Drawing on a quantitative text analyses of media reports in Austria, Germany, and Ireland,[2] we demonstrate that the UK's Brexit experience significantly impacted domestic discourses about Europe in these countries. We document an initial encouragement effect on populist party discourse across all three of countries right after the 'Leave' campaign won the Brexit referendum. The referendum outcome was immediately interpreted as evidence that nationalist, anti-EU referendums can be won in the EU. However, as the Brexit-drama unfolds in less positive ways than Brexiteers had predicted, we observe a strong deterrent effect as populist parties and politicians throughout our sample significantly moderate their anti-EU rhetoric, in line with evidence that documents similar trends in party manifestos (van Kessel et al. 2020). At the same time, we also observe that intra-EU cohesion increases and mainstream discourse becomes more pro-European. Our findings also imply that these dynamics were reinforced by strategic incentives of the EU to discourage imitation effects in other member states. Overall, our results suggest that learning by observing the fate of populist projects abroad plays an important role in shaping national populist discourses and may put limits on populist campaigns that advocate for withdrawing from international institutions.

The remainder of the paper is organized as follows. The next section lays out our argument and theoretical reasoning in detail. Section 3 introduces the empirical case of Brexit as a testing ground for our theory. Section 4 presents describes our data and measurement approach along with related conceptual questions. Section 5 provides an empirical evidence that shows how well the Brexit process is going for the UK at different points in time. Section 6 then presents the results of our analysis. Here, we first show the general result that information generated by Brexit counteracts populist pressures outside of the UK. We then also show that the Brexit process has led to a more pro-European discourse among mainstream parties. Section 7 concludes.

[2] This set of countries will be expanded in future iterations of this paper. See below for the rationale underlying our case selection strategy.

2 Background and Theoretical Framework

In the past decades, nationalist and isolationist political parties, candidates, and policies have become increasingly successful in the national electoral arena (Colantone & Stanig 2019; De Vries et al. 2021; Trubowitz & Burgoon 2020). A large and growing literature has examined the structural, social, and ideational causes of these successes (for reviews, see for example: Bornschier 2018, Guriev and Papaioannou 2020, Rodrik 2020, or Walter 2021). One major finding of this body of research is that nationalist-populist messages appeal especially to those voters who worry about their economic well-being (e.g., Majlesi et al. 2020, Colantone and Stanig 2018a, 2018b, 2018c, Becker et al. 2016), their economic status (Gidron & Hall 2017; Kurer 2020), or feel threatened in their national and cultural identity (e.g. Mansfield and Mutz 2013, Hobolt 2016, Margalit 2019, Norris and Inglehart 2019).

Nationalist parties tend to blame these problems predominantly on developments originating abroad, such as migration, international trade, or international institutions that limit national sovereignty (Posner 2017, Vasilopoulou et al. 2014).[3] Naturally, these parties tend to propose policy solutions that center on limiting their country's and their voters' exposure to globalization – less migration, stronger borders, or fewer internationally binding agreements (Börzel and Risse 2018; Hooghe and Marks 2018; Kriesi et al. 2008; Zürn and De Wilde 2016; Voeten 2019).

Such policy proposals not only cater to the grievances expressed by their voters, however, but also serve a strategic purpose: In openly questioning internationally-oriented policies, political entrepreneurs such as populist challenger parties politicize formerly widely accepted policies. This allows them to gain electoral advantage from driving a wedge between mainstream elites and their supporters by mobilizing opposition to international cooperation, especially in a setting in which the traditionally strong affiliations between voters and established parties are eroding (De Vries and Hobolt 2020). Mainstream parties in Europe tend to be strongly committed to European integration and the liberal international order, for example (Trubowitz & Burgoon 2020), even though not all of their voters and party base share this policy position. This creates incentives for challenger parties to politicize new policy issues beyond the economically-focused left-right divide, such as migration or international cooperation for their own electoral advantage (Hobolt and De Vries 2015; De Vries et al. 2021).

International institutions thus constitute attractive targets for nationalist-populist blame attribution (Copelovitch & Pevehouse 2019). The populist aversion to compromise on the one hand and to elites on the other hand makes it easy to decry the compromises necessary for multilateral decision-making and to frame international bureaucrats as a foreign elite trying to dominate the domestic people and the proclaimed national interest (Krieger 2019). The incentives to blame international institutions increase the more the institution constrains country's national sovereignty, so that it comes as no surprise that the European Union is a particularly frequent target of populists especially in Europe (Rooduijn & van Kessel 2019). A natural implication of this diagnosis is to

[3] Blame attribution is a core characteristic of populist discourse (Busby et al. 2019).

demand that the country withdraw from these institutions. Several examples from populist politicians' election campaigns illustrate this point: US presidential candidate Donald Trump promised to withdraw the US from the Iran nuclear deal, French presidential candidate Marine Le Pen's proposed to leave the Euro and reintroduce a French national currency, and Jair Bolsonaro's said he planned to pull Brazil out of the Paris Climate agreement.

Yet sweeping policies such as withdrawing from international institutions are easier proposed than implemented. Populist policy promises that offer seemingly simple answers to complex questions typically do not provide viable solutions to the problems and grievances of their voters (e.g., Heinisch 2010, Nadler 2019). As long as these strategies are not put to the test, this is not too much of a problem for these parties.

However, the increasing participation of populist parties in coalition governments, the accession to power of populist-dominated governments in major countries such as the US and the UK, and the success of populist policy proposals in national referendums means that increasingly, populist policies are implemented and put to the test. Once in office, populists – who got elected on the basis of far-reaching, but oftentimes unattainable promises – are judged by their observable policy performance. This creates considerable tensions for the newly-elected office holders because, unlike statements made in the election campaign, policy performance is subject to real-world constraints. This leads to a phenomenon that Heinisch (2010) calls "success in opposition – failure in government." In similar vein as De Vries and Hobolt (2020), Heinisch (2010: 124) argues that the political entrepreneurship of populist parties allows them to "succeed in cobbling together a disparate coalition of disaffected voters that transcends traditional political and socio-economic cleavage structures;" but that once such a party enters "government in an age in which technical expertise is key to achieving optimal policy outcomes, it finds it difficult to deliver" (see also Albertazzi and McDonnell 2005, Zaslove 2012).

We argue that the discrepancies between offered (in opposition) and delivered (in government) policies generate previously unavailable information about the viability of populist promises such as the benefits of leaving an international institution, but also about the political fate of populist parties that implement such policies. This allows political parties, voters, and political observers in other countries to learn from these experiences.

We particularly focus on the effect of information flows from the experiences of populist governments in one country on the stated goals of nationalist-populist opposition parties in other countries. We apply findings from the policy diffusion literature on government-to-government learning (Gilardi 2016, Graham et al. 2013, Karch 2007) to our theory of party-to-party learning. Because transnational learning tends to be particularly strong among ideologically similar governments (e.g., Grossback et al. 2004), we expect populist parties in one country to be particularly receptive to information generated by the experience of their populist counterparts elsewhere, especially as ideology and prior beliefs play an important role in how likely parties are to update these beliefs (Gilardi 2010; van Kessel et al. 2020).

Observing the outcomes of implemented policy promises by populist parties abroad and the political consequences allows domestic populist parties to update their beliefs about the feasibility

and the desirability of promoting similar policies for their own country. The more positive the foreign party's experience, the more this will encourage national populist parties to push for similar policies themselves and to increase the salience of the issue in their own rhetoric.[4] At the same time, observing that the hopes attached to the promised policies cannot be met or that the implementation of the policies has adverse political, electoral, or organizational consequences for governing populists is likely to deter populist parties in other countries from promoting similar policy proposals at home.

The policy diffusion literature shows that learning is based in particular on the experiences of early adopters of policies (Shipan and Volden 2008). First pieces of new evidence thus provide the greatest information value, which is why the first attempts to withdraw from international institution (and other populist policies) are likely to be particularly influential in providing both positive (encouraging) and negative (deterring) imitation incentives.

According to this logic, the first electoral or policy successes of populist challenger parties in one country should therefore provide particular encouragement to other populist parties abroad. This is because observing such initial successes underlines the growing electoral potential of populist parties and provide incentives for these parties to follow strategies that have already proved successful elsewhere. However, the encouragement effects of initial successes will be updated as new information on the policy performance and general government experience of populist parties accumulates. When the discrepancies between promised and delivered solutions are large, or when the political consequences are negative, this information is likely to discourage populist parties abroad from pursuing a similar path (Gilardi 2010). As a result of this deterrence effect, we expect populist parties in other countries become both less vocal (quantity of statements) and more moderate (quality of statements) about populist policies that do visibly not succeed elsewhere.

In the context of re-nationalization and de-globalization policies that involve the withdrawal from an international institution, we expect this deterrence mechanism to be additionally reinforced by the strategic incentives of the international institution's bureaucracy and remaining member states.[5] In handling the withdrawal process, the international institution faces a trade-off. On the one hand, it has incentives to minimize the immediate costs of the withdrawing state's departure by allowing a smooth transition. On the other side, it has incentives to deter imitation effects on the side of other current member states by denying such a smooth transition. This trade-off, or *accommodation dilemma* (Walter 2020a, 2020b), between a low-cost but potentially destabilizing accommodation strategy and a high-cost but disciplining deterrence strategy is likely to be present in any withdrawal process from an international institution. At the same time, the relative importance of this reinforcement mechanism will depend on the withdrawing state's need for continued cooperation with the institution and thus its relative bargaining power.[6]

The greater the concerns among governments in the remaining member states of the institution

4 For similar arguments about voters' updating processes in similar contexts see de Vries (2017), Walter (2020c).
5 Similar situations may arise in any case where the policy targets a strategic actor rather than, say, a market or another non-organized collection of individuals.
6 We discuss the scope conditions of our theory in greater detail in the concluding section of this paper.

about possible encouragement effects of an accommodating strategy, the more they should support the high-cost deterrence strategy in an explicit effort to counteract imitation demands by populist parties in other countries of the institution. As a result, we should see strong internal alignment of policy goals between the remaining member states and the international institution itself, especially in countries where mainstream parties make up the government. Moreover, we would expect politicians from individual countries to speak and act with a focus on long-term integrity of the institution rather than with a focus on short-term national interests. Moreover, this effect should be particularly strong, if populist parties are serious challengers to established mainstream parties in these other states. In other words, the greater the danger from encouragement effects, the stronger should the institution strive to push for a deterrence case.

3 Brexit as an Empirical Case

We investigate our theoretical predictions by examining how populist parties in the EU's remaining member states responded to Brexit – the UK's withdrawal from the European Union. Such a national withdrawal from the EU is a policy goal that strongly resonates with many nationalist populist parties in Europe. The case of Brexit is particularly suitable to test our argument because it provides a clear precedent in the sense that it is a policy that has featured prominently in populist discourse, but has never actually been implemented. In combination with the high visibility of the Brexit process and the relatively large number of populist eurosceptic parties throughout the Continent,[7] this provides a strong learning environment.

The Brexit negotiations also offer considerable variation across time in terms of generating both encouraging and deterring information. Initially, the Brexit referendum proved to many that leaving the EU is possible. More than four years since the referendum, however, the Brexit process has generated considerable new information that allows observers to update this positive initial assessments and learn about the feasibility of leading this process to a success. The Brexiteers have to date achieved very little in the way of 'taking back control' as their initial slogan went.

For example, two of the key promises of the Brexiteers were, a) to invest the money saved by no longer contributing to the EU budget into the National Health Service (NHS), and b) to use the newly gained independence from EU procedures to negotiate trade agreements tailored to best suit Britain's interests. However, the estimated economic costs of Brexit thus far have already reached the level of the UK's total contributions to the EU budget over the entire period since its accession in 1973 (McCarthy 2020). Likewise, there is currently no trade deal with any of the UK's major trade partners anywhere in sight. Much to the contrary of the tailored trade agreements that were announced, the UK will in all likelihood fall back to WTO trade rules by the end of 2020 – both with the EU and with any country that has a trade agreement with the EU but has not yet negotiated one with the UK. On top of this, Brexit has posed threats to UK's internal peace and

[7] We focus on EU member states because insights gained from the UK's Brexit experience travel most easily to other potential cases within the same institution. From a statistical inference perspective, this choice also allows us to hold many potentially relevant confounders constant by design.

territorial integrity by raising the Irish-Irish border question (which was solved as British Premier Johnson accepted an internal maritime border between Northern Ireland and Great Britain) and by reinvigorating the Scottish independence movement.

According to our theory, these negative experiences on the side of the UK should entail a learning process across the EU and, in particular, within European populist challenger parties. In fact, the events on the British Isles may serve as a warning especially to those who tend to hold nationalist views and wish for a strong national state. We therefore expect the new evidence from the British precedent expect to counterbalance the ease with which populist eurosceptic parties can position themselves as viable alternatives to the pro-European mainstream. As a result, this should have a self-stabilizing effect on the Union.

In the context of the *accommodation dilemma*, we furthermore argue that the British government strongly misread the EU's incentives to grant the UK those concessions that might actually have made life for the UK outside the EU an attractive alternative to continued membership. The UK government noticed that the EU and its remaining member states had clear economic incentives to accept the UK's withdrawal while maintaining all economic links it could to minimize the economic costs of Brexit. For example, Whitehall was confident that Germany would be unwilling to give up unrestricted access to the UK market for its well-connected and vocal automotive industry.[8] However, the pro-Brexit leadership in the UK misjudged the EU's incentive to discourage imitation effects in other member states by accepting the costs of denying the UK an attractive exit from the Union. Especially in the light of populists having gained momentum throughout the remaining EU member states, the EU's leaning in this question was much more on the hard side than the Brexiteers anticipated. Misreading these incentives was one of many aspects through which the proponents of the British exit in the UK demonstrated that they are not able to deliver on their promises.

The Brexit negotiations revealed these discrepancies and provided evidence about the difficulties associated with withdrawing from a deeply integrated international institution as the EU. This is especially true since the predominant trend over the past decades has always pointed toward deeper integration. As a result, there is little evidence on the prospects of a move toward de-globalization in the early twenty-first century. This lack of evidence has made it comparatively easy for populist challenger parties to simply claim that the unseen re-nationalized counterfactual world is the better alternative. In this context, Brexit events now provide a precedent that informs the populist disintegration discourse across Europe. We now proceed to laying out our empirical strategy to systematically test our argument.

4 Data and Empirical Strategy

The core of our empirical approach is based on a novel dataset of integration and disintegration statements and events across European countries. Our data is based on an extensive processing of

[8] See for instance here.

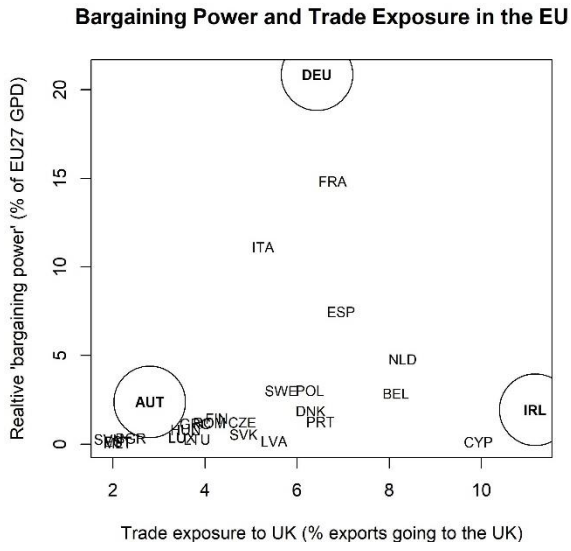
national print media reporting and contain detailed calendar-day-specific information on the discourse, actions, interactions, and stated intentions of politicians from both populist challenger parties and established political parties concerning questions of international and European integration.

These news data allow us to track how the statements, positions, and (in the case of government participation) actions of politicians and parties vary over time. We then link these trends to temporal information on the UK's Brexit experience that captures the essence of new incoming information about the success of Brexit (and by extension the likelihood of success of national withdrawals from the EU elsewhere). We measure the success of the UK's Brexit experience based on both exchange rate data and human assessments. Overlaying the changes in party positions and political statements with information on the UK's Brexit experience then allows us to demonstrate that the observed co-movements are consistent with our argument. Additional qualitative evidence on the underlying reasoning and assessments of political actors, allows us to corroborate the causal nature of our observed relationships.

Mapping political trends: A media-based dataset of integration-disintegration statements and events

To compile our data, we proceed in several steps roughly following the strategy developed by Martini (2020a, 2020b). First, we select a set of EU member states to focus on in our analysis. We base our selection on two criteria, which we expect on theoretical grounds to condition both populist parties as well as strategic government responses across countries.

Figure 1: ***Case Selection*** *– Maximizing Cross-national Variation in Dimensions of Theoretical Interest*



Notes: EU27 refers to the member states remaining in the EU post-Brexit.

The first criterion concerns a country's relative economic size compared to EU as a whole. We operationalize this criterion by computing each EU country's 2012-2019 average GDP as a percentage of the average EU-27 GDP over the same time period (World Bank 2020). This measure proxies a country's relative economic and – by extension – political importance within the EU,

and hence its bargaining power vis-à-vis the Union, which is likely to moderate both pressures to Leave from populist challenger parties and behavior toward the UK from established parties and government officials.

The second criterion is a country's trade exposure toward the UK. This criterion proxies a country's vulnerability to the short term economic costs of Brexit and might thus affect its stance on the accommodation/non-accommodation trade-off. We measure trade exposure as a country's exports to the UK as a percentage of the country's total exports using aggregate trade data from UN Comtrade (2020) and averages for the 2012-2019 period. Figure 1 places the EU-27 countries in this two-dimensional space. To maximize variation across the two dimensions, we initially focus on Austria, Germany, and Ireland as country case for closer examination. [10]

For each of these country cases, we next select a set of three to four major newspapers for each country as a starting point for our media analysis. Our goal is to select the largest (in terms of circulation) nation-wide appearing dailies, which have a higher reporting throughput and tend to focus more on shorter factual reporting of events rather than on in-depth opinion and analysis than more infrequently appearing outlets such as weekly and monthly publications, while at the same time to achieve a relatively balanced distribution in terms of the papers' political leaning.[11] These qualities line up best with our objective to compile a political events dataset as dailies allow us to precisely pinpoint the dates of events while simultaneously maximizing the frequency of relevant factual reports. Besides circulation numbers and political leaning, our newspaper selection also reflects some availability constraints. We include both quality newspapers and tabloids to cover a broad range of coverage. Our analyses are based on *Der Standard, die Presse*, and *Kurier* for Austria, *BILD, Die Welt, Süddeutsche Zeitung* and *Handelsblatt* for Germany, and *Irish Daily Mail, the Irish Independent,* and *The Irish Times* for Ireland (see Table A1 in the appendix for more details).

Third, for all newspapers in our selection we identify the articles that are relevant to our purpose of building a news dataset on (dis-)integration related statements and events. To this end, we ran a full text search on the entire news content of each outlet published between 1 January 2012 until 1 February 2020. Our dataset thus spans the period before Brexit became a salient issue until the UK's exit from the European Union . Our search employs a range of Boolean search term combinations with the aim of identifying articles related to 1) Brexit and the UK's withdrawal from the EU including reporting of what national populist and mainstream politicians say and do in this context, 2) the target country's own domestic integration-disintegration discourse including statements by populist challenger parties toward reform of or withdrawal from the EU and established party reactions to such statements, and 3) euroscepticism and nationalist/populist sentiment and discourse in the target country more generally. Table A2 in the appendix contains the English language search terms used in our procedure.[12] Overall, our search produced a news corpus consisting of 39,460 articles (Austria = 7525, Germany = 10476, Ireland = 21459).[13]

[10] See the data section below for a detailed description of data sources underlying Figure 1. Future iterations of this paper will include an expanded set of countries.
[11] We also exclude outlets that appear only regionally.
[12] In the actual implementation all search terms are translated in the respective national language.
[13] It is interesting to note the high correlation of .97 between a country's trade exposure to the UK and the number

We then zoom in further and identify relevant passages within our set of articles. Because we are seeking to compile data based on statements and actions of political elites, our primary interest is in finding passages that quote or paraphrase statements by these elites or describe their activities. To do this, we use a regular expressions-based search algorithm to identify the names of political leaders and parties in our articles and annotate any sentence that contains a reference to at least one of these actors. Specifically, we focus on the following sets of actors:

1. *National politicians* in Austria, Germany, and Ireland that have a role in government and/or are members of parliament (A).

   National parties in Austria, Germany, and Ireland that are represented in parliament and spokespeople of these parties beyond those in government and parliament (B).

2. *UK politicians* that have a role in government and/or are members of parliament (A).

   UK parties that are represented in parliament and spokespeople of these parties beyond those in government and parliament (B).

3. *EU leadership personnel* (Brexit lead negotiator Michel Barnier as well as the respective presidents of the European Parliament, the European Council, and the European Commission).

4. *Challenger parties and populist, eurosceptic actors* that are not represented in national parliaments but nonetheless shape the domestic national discourse (i.e., Nigel Farage and his Brexit Party in the UK or the AfD in Germany before entering Parliament).

To identify politicians names in our countries of interest (1.A and 2.A), we rely on data on Parliamentarians during the 2012-2020 period from the 'EveryPolitician' project (mySociety 2020). We complement these data with data from the CIA "Chiefs of State and Cabinet Members" directory (CIA 2020). Because the 'EveryPolitician' data also lists parliamentarians' party affiliations, we can identify all national parties represented in parliament throughout the 2012-2020 period (1.B and 2.B) from these data as well. Our 'regular expressions' procedure includes common synonyms for parties to avoid missing relevant references.[14] Our approach allows us to quickly and reliably identify the core passages of news reporting on integration-disintegration related statements and actions by political elites in the most widely read national outlets.

In order to translate the information in these text passages into quantitative data, we now switch from automated text processing to human-based coding. This choice is motivated by several considerations. First, we aim to extract very detailed, sentence-level information along multiple dimensions of interest. This is a very challenging task to perform computationally because it cannot rely

of Brexit-related articles per country in our corpus. This suggests that trade exposure strongly affects the *quantity* of discourse about Brexit in a country. On the content of this discourse, see the analysis below.

[14] For example, for the British Conservatives, we employ the search terms "Conservative*", which finds "Conservatives", "Conservative Party", etc. as well as "Tory", and "Tories". We also use both common abbreviations of party names as well as conventional long forms.

on word or phrase distributions that are typically employed in document-level natural language processing (NLP) applications and instead requires actual interpretation of textual information. Second, we are interested in extracting information that is oftentimes not explicitly stated – though easily recognizable by humans – such as actors' implied intentions or the warmth of their relations. Third, in news text the reader often needs some context to identify whether a sentence contains the statement of a politician or an interpretation of the journalist. That is, identifying the primary actor – one of our core objectives – is not easily automated and does very often not coincide with the noun phrase of a sentence that is often used in NLP tasks to identify the subject. Fourth, we are interested in the political context in which a statement is made, which requires taking the information of surrounding sentences or article headings into account. Lastly, our preselection procedure oftentimes selects more than one sentence from an article and it is thus necessary to choose the key information of interest from this preselection.

In coding our pre-selected text passages, we follow a partial sampling strategy to maximize the information density and reliability of our data while minimizing time requirements and excessive duplications. Since one of our primary interests lies in the discourse of populist challenger parties,[15] which are typically a) smaller in terms of size and representation relative to established parties, and b) mostly not in government, these parties are underrepresented in our corpus. To compensate for this, we select *all* articles with challenger party references for our coding procedure. In contrast, we select a random sample of articles with references to established parties and politicians.[16] This procedure results in an preliminary dataset that contains 1,272 detailed, multi-dimensional statement and event relationships.

Our coding scheme is based on six categorical variables, each of which captures a different dimension of a reported event (see Table 1). For each event, we code who the actor (subject) is and who this actor targets in her speech or actions (object), using the categories established national parties,[17] national populist parties, UK parties, EU officials and institutions, and the media (i.e., journalists). We then ode in which context (context) this interaction takes place. In our data, the primary context is Brexit, which is unsurprising given our article selection procedure, yet contexts such as immigration/refugees, the Euro-crisis, EU reform more generally, or elections are also referenced. Looking at the explicit or implicit relationship between actor and target, we code a warmth measure (warmth) that takes the values warm, neutral, and cold. Finally, we code the

[15] For our purposes, we define populist challenger parties as anti-globalist, eurosceptic parties, for which re-nationalization and/or EU-reform are key programmatic objectives. Specifically, we focus on the following parties in our current sample: Alternative für Deutschland (AfD) in Germany; Freiheitliche Partei Österreichs (FPÖ) in Austria; and People before Profit (BPB) and Independents for Change (I4C) in Ireland.

[16] Specifically, we opt for 750 established party articles per country. Together with our population of challenger party articles, this yields on average of somewhat above 1000 articles per country to code.

[17] Note that we do not distinguish between individual parties in our coding but include all established national parties in the 'established party' category. This choice is made primarily for two reasons. First, there is a clear focus on government leaders (cabinet members) in the media reports, while members of the opposition are cited much less frequently so that there is little to be gained by recording the specific party affiliation of the occasional opposition speaker. Second, and reinforcing the previous point, there is very little disagreement among established party politicians in the countries we analyze concerning their positions towards either Brexit or the EU more generally.

action the actor performs (action) and the actor's explicit or implicit intention (goal). These variables are the most flexible and take on a larger number of categories, most of which are related either to questions of EU integration and reform or to diplomatic efforts to handle the Brexit negotiations. Table A4 in the appendix contains a detailed overview of our data including a listing of the most important variable values across our six variables and the frequencies with which these values occur in the data. Taken together, the six variables capture the essence of the reported event in an abstracted but tangible form.

Table 1: ***Coding Scheme*** *– Overview*

Variable	Explanation	Example 1	Example 2	Example 3
Subject	The ***speaker or actor*** – the person or entity making a statement or being reported to perform an action.	*Challenger party*	*Established party*	*Media*
Object	The ***object of statement or action*** – the person or entity that is spoken about or the target of the action.	*EU*	*UK*	*EU*
Context	The policy ***context*** in which the speaker's ***statement or action*** takes place.	*Brexit*	*Brexit*	*Challenger party*
Warmth	The (explicit or implicit) ***friendliness*** of the subject's ***relation*** to the object.	*Cold*	*Neutral*	*Warm*
Action	Speaker's (cited) action or type of statement.	*Demand*	*Offer*	*Worry*
Goal	Speaker's (explicit or implicit) policy goal.	*Leave*	*Delay*	*EU unity*

Notes: See Table A4 for a more detailed description of the coding scheme and an overview of variable values and their frequencies.

In the analyses below we primarily focus on the subject-object pair '*Challenger party – EU'* to establish our core result but subsequently investigate a range of other constellations to unpack the underlying mechanisms.

Primary explanatory variable: Evaluation of the UK's Brexit success

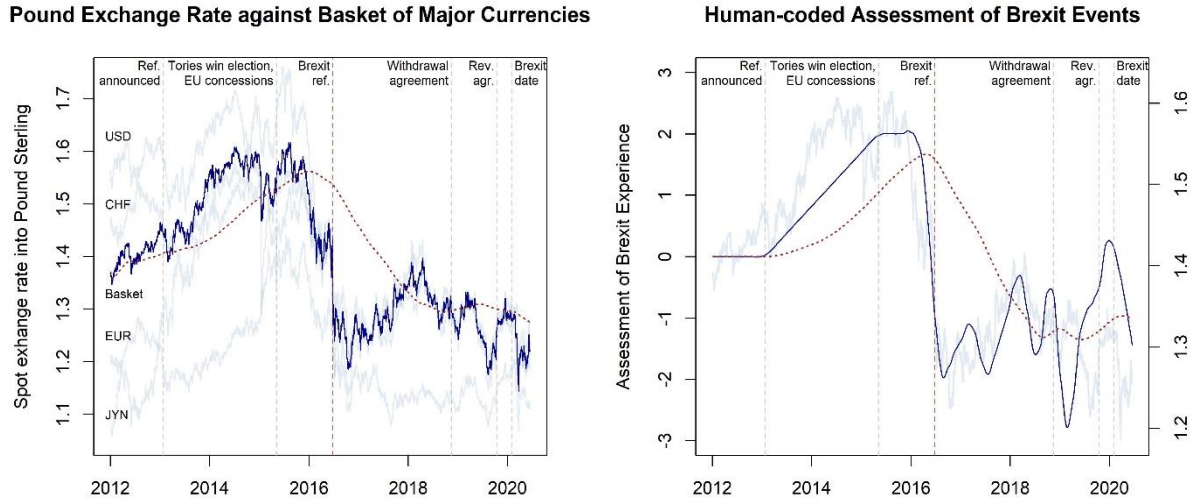
Our primary interest is in examining whether learning from the empirical precedent of Brexit affects populist and integration-sceptic pressures from challenger parties in European countries outside the UK. To investigate whether a positive Brexit-experience encourages, whether a negative experience deters support for similar populist and eurosceptic policies in the other EU member states, we thus need information of how Brexit is going for the UK at any point in time. To quantitatively assess the UK's Brexit experience across time, we rely on two different strategies: an 'objective' market-based strategy using the British Pound exchange rate and a more 'subjective' strategy based on a human sentiment coding of key events. These measures of the quality of the Brexit experience are strongly correlated (corr = .85).

Our objective measure is based on the daily spot exchange rate of the British Pound against a basket of major currencies (Euro, US Dollar, Swiss Franc, and Japanese Yen).[18] With this strategy,

[18] Exchange rate data come from the Bank of England and are available here.

we exploit the fact that foreign exchange markets constantly process and condense large amounts of information for profit maximization purposes and thus have an inherent incentive for accuracy given available knowledge. The Pound exchange rate thus serves as an aggregate market-based measure of trust into the UK's current and future prospects by economic actors based on political and economic developments (Bernhard and Leblang 2002). Figure 2 (left panel) shows the development of the Pound exchange rate since January 2012. The dark blue lines is the exchange rate against the basket (the red dotted line captures our cumulative learning measure, which we derive from this data and discuss further below).

Figure 2: ***How well is Brexit going? Quantifying the Brexit experience***



Notes: The left panel plots the daily spot exchange rate of the British Pound against a basket of major currencies (Euro, US Dollar, Swiss Franc, and Japanese Yen) as a market-based measure of trust into the UK's current and future prospects. The dark blue lines is the exchange rate against the basket. The light blue lines indicate the exchange rates against the individual currencies. The right panel shows a (loess-smoothed) hand-coded measure of how well Brexit is going for the UK. The overlaid exchange rate data demonstrates considerable alignment between the two measures (corr = .85). See Table A3 for the underlying events data. Dashed vertical lines indicate relevant events. The red dotted lines capture the 1.5 year rearward-looking moving averages of the respective measures to capture memory effects (see text for details).

The graph shows that foreign exchange markets grew increasingly optimistic about the UK's prospects between 2012 and 2015. During this period, the Tories included the referendum in their election manifesto and won the 2015 national election in part on that basis and Prime Minister David Cameron managed to secure concessions on immigration concerning the UK's EU membership obligations from the EU following the election in early 2016. However, a few months before the Brexit referendum, the Pound began to slip, possibly in response to rising uncertainty as opinion polls showed increasing support for a 'Leave' outcome. The Leave-victory in the June 2016 Brexit referendum then led to a significant fall in the exchange rate. The referendum outcome not only contradicted Cameron's expressly advocated vote recommendation. It also meant that the concessions obtained from the EU for membership reform in the shadow of the referendum became obsolete while plunging the UK into a highly uncertain situation. The referendum thus marks the failure of Cameron's high-risk negotiation strategy and the beginning of the actual Brexit phase. Although market confidence recovered slightly in the first two years after the referendum,

the Pound exchange-rate has remained below its pre-referendum value ever since. Moreover, the difficulties of passing the withdrawal agreement are reflected in a volatile and depreciating exchange rate. Britain's actual exit from the EU on 31 January 2020 did not manage to turn around this trend.

As a second, subjective measure, we rely on a qualitative hand-coded assessment by the authors of how well Brexit is going for the UK, shown as a loess-smoothed trend line (blue) of the hand-coded data in Figure 2 (right panel). In coding individual events, we assign values on a seven point scales from -3 for very negative to +3 for very positive events. Positive events are defined as developments that – from a perspective of the UK government – align with or are helpful for achieving stated sovereignty-related policy goals (e.g., EU reform under Cameron, Brexit under May and Johnson). Negative events are developments that hinder or contradict such goals. The coding starts from a neutral sentiment (i.e., a value of 0) in the pre-Brexit phase in 2012 and then initially becomes increasingly positive, before it turns significantly more negative during the Brexit referendum. In the post-referendum period, the measure fluctuates with individual events but generally remains on a low level throughout the post-2016 period. This is because the UK has never managed to actively shape the negotiation process to its advantage and has instead seen considerable internal divisions and disagreements over the right course of action. This, in turn, further weakened the UK's bargaining position toward the EU (and other relevant players such as the US). The entire underlying events descriptions and their associated sentiment coding can be found in the appendix below in Table A3.

Our actual measures of interest are derived from these measures in a further step. Both, the exchange rate data and our human-coded data assess the degree to which *individual events* are positive or negative from a UK perspective. However, to approximate an answer to the conceptual question of how well Brexit is going for the UK *overall*, we need to also take the history of past events into account. Intuitively, outside observers – including populist European challenger parties – will not base their evaluations of the UK's experience only on the most recent data point. Rather, they will form their assessments on the basis accumulated information from of the entire history events that is continuously updated as new events unfold. We thus want a dynamic cumulative measure that aggregates the history of events (i.e., allows for memory effects) while taking the latest developments into account. To this end, we compute a rearward-looking moving average of our raw data for the previous 1.5 years for any given date. The variables *Brexit evaluation (X-rate)* and *Brexit evaluation (hand-coded)* reported in Tables 1 and 2 are based on these data.[19]

The red dotted lines in both panels of Figure 2 descriptively show these moving averages for both our data series. It can be seen that these measures smooth out the short-term volatilities of the data as they aggregate current and past events to form a more informed measure based on a more extensive set of available information. For example, in mid-2016, the 'Leave' vote was an outcome that introduced severe uncertainty and was at odds with the UK government's intentions, which is why the assessments in both our data series fall sharply around that date. However, at the time it was far from clear that this would result in a painful and largely unsuccessful negotiation

[19] Our results are insensitive to different choices of window width for the calculation of the moving average.

marathon from a UK perspective. In 2016, it was still well conceivable that UK might negotiate an advantageous exit deal – especially against the backdrop of Cameron's success in obtaining EU concessions with regard to EU membership obligations. It only gradually became clear that this possibility was increasingly unlikely to materialize.

Other explanatory variables

Our empirical analysis takes several other factors into account. The primary variables of interest on the country-level (cross-sectional variation) are a country's bargaining power relative to the EU and its exposure to the fallout from Brexit, that is the same variables on which we based our case selection is based. In addition to these cross-sectional measures, we investigate several dynamic factors other than our Brexit statements and actions data described above that might affect observers' assessments of European integration. One set of these variables concerns election timing. On the one hand, we consider the effect of the 2019 European parliament elections that took place on May 26. To assess the effect the EP elections we define a dummy variable *European Parliament elections (run up)* that takes a value of 1 in the six months that precede the EP elections to capture the associated election campaigns, and 0 otherwise. Equivalently, we define a second variable *National elections (run up)* for the six-month periods preceding national elections, a variable that varies across countries.[20]

We also explore the effect of the immediate *Brexit shock (week after referendum)*. As the variable name suggests, this is a dummy that takes a value of 1 for all dates in the week immediately following the 'Leave' vote in the UK on 23 June 2016, and 0 otherwise. Lastly, we consider the impact of a country holding the Presidency of the Council of the EU, which rotates among countries on a biannual basis. Again, this variable, *EU presidency (incumbency effect)*, is coded as a dummy that takes a value of 1 for all dates during Austria's presidency between July-December 2018, and 0 otherwise.

5 Analysis and Results

How does the UK's Brexit experience affect the policy positions and aggressiveness of demands of populist and eurosceptic challenger parties in Europe? Our theoretical argument suggests that the information produced by Brexit – the largest and most wide-ranging withdrawal process from an international institution in (recent) history – should have a considerable impact on populist rhetoric. To test this argument, we first examine whether and how the Brexit process is correlated with the policy positions of challenger parties. In support of the argument, we find that the aggressiveness of demands toward the EU brought forward by populist challenger parties in our sample increases with a more positive Brexit experience, but becomes more muted when Brexit is going badly. We then zoom into the mechanisms of this process and examine how the EU-27's

[20] The relevant election dates within our period of analysis are 15 October 2017 and 29 September 2019 for Austria, 24 September 2017 for Germany, and 26 February as well as 8 February 2020 for Ireland.

and the UK's negotiation positions and negotiation accomplishments were perceived by established and by challenger parties.

Learning from Brexit: Challenger party positions toward the EU over time

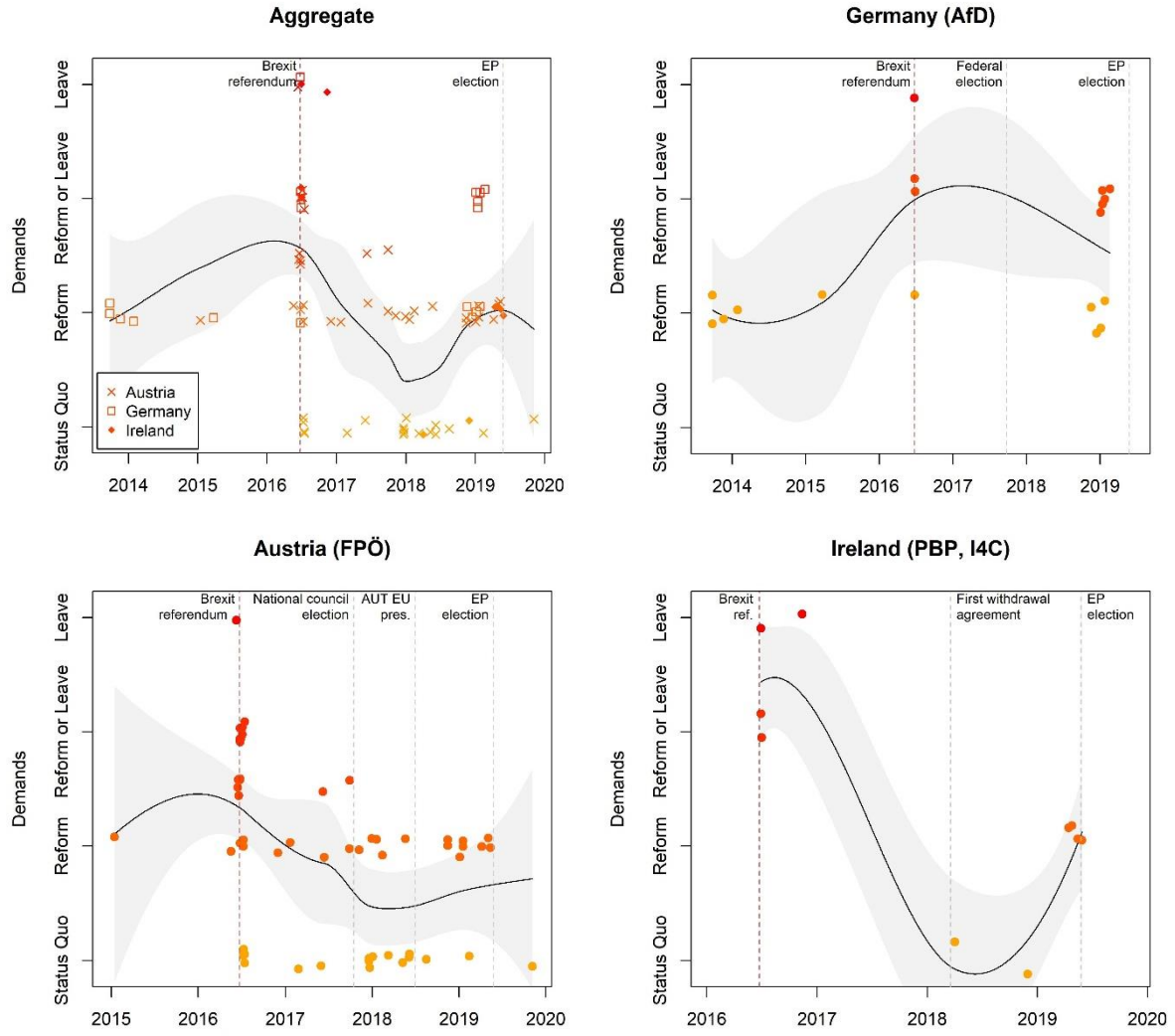
Do the ups and downs of the Brexit process influence how aggressively eurosceptics in other EU countries speak about the EU? To examine this question, we analyze the stated policy positions of populist challenger parties vis-à-vis the EU (that is, we slice our data to the subset *Subject = Challenger party, Object = EU*) and recode challenger parties' goals into four categories according to the aggressiveness of their policy stance regarding European integration: 0 = Status quo (statements that express explicit content with the current depth of EU integration and/or oppose further integration beyond the current status quo), 1 = Reform (i.e., calls for a reform of the EU toward re-nationalization), 2 = Reform or leave (explicit leave demands, if no sufficient reform is undertaken), 3 = Leave (demands for leaving that see no hope in reforms). Thus, higher values indicate more extreme disintegrative demands and policy positions.

We begin with a descriptive analysis, but also provide statistical evidence below. The panels of Figure 3 plots the sixty stated policy positions of populist challenger parties vis-à-vis the EU we identified in our media analysis. It shows the development of challenger parties' policy positions towards the EU over time in the aggregate and for individual countries. Black lines and shaded gray areas are loess estimates with 95% confidence intervals to visualize predominant time trends. The dashed vertical lines indicate relevant context events.

Several trends are apparent from Figure 3. First, the most extreme demands from European challenger parties toward EU integration are made immediately after Brexit referendum's 'Leave' outcome was announced. This trend is discernible both in the aggregate data as well as in any of the individual country panels. For example, in Germany, Beatrix von Storch, AfD Representative in the European Parliament, declared that the European Project "has failed" and stated that she "wept with joy" at the news of the British 'Leave' vote. Another prominent AfD politician, Björn Höcke, explicitly demanded "a referendum on whether Germany should remain in the EU" (Kamann, 2016). In Austria, the FPÖ's candidate for 2016 Austrian presidential election, Norbert Hofer, explicitly welcomed the Brexit outcome and his party intensified calls for a similar referendum in Austria, if no significant reform of the EU were forthcoming. It also hosted a meeting of European rightwing politicians including France's Marine Le Pen to discuss potential cooperation among anti-European forces following Brexit (Nowak and Götz 2016). In Ireland, where eurosceptic views are traditionally held among the left rather than the right, the referendum outcome also sparked more aggressive demands. People Before Profit (PBP) MP Richard Boyd Barrett brought up a possible "Irexit", saying the UK's 'Leave' vote draws into question Ireland's own role in the EU. The party said that in the event of Brexit, it would campaign for Ireland to leave the EU as well, adding: "We favour the break-up of the current structures of the EU on left-wing grounds" (Michael, 2016). PBP MP Paul Murphy reiterated this stance by saying that while it was currently not a "foreground" issue, if a referendum were held, PBP would be in support of 'Leave' (McGee, 2016). Taken together, this evidence suggests that the Brexit referendum initially had a

considerable encouragement effect in the sense that it demonstrated that leaving the European Union really was a viable option rather than a distant fantasy. This finding is fully in line with our theoretical expectations.

Figure 3: ***European Challenger Parties*** *– Stated Positions toward the EU over Time*



Notes: Points describe stated policy positions (i.e., goals) as reported in national newspapers (*Levels*: 0 = Status quo, 1 = Reform, 2 = Leave unless Reform, 3 = Leave). Positions are jittered for better visibility. Lines and shaded areas are loess estimates with 95% confidence intervals to visualize dominant time trends. Dashed vertical lines indicate relevant events. Party abbreviations: AfD = Alternative für Deutschland; FPÖ = Freiheitliche Partei Österreichs; BPB = People before Profit, I4C = Independents for Change.

Secondly, while there is a clear trend toward more extreme positions following the UK's 'Leave' vote, there is also a clear increase in the variance of challenger party positions immediately after the Brexit referendum in June 2016. Although this pattern is most pronounced in Austria, where the entire range of positions can be found in mid-2016, the trend is more general: For all three countries in our data, there is no other point in time in our sample period at which populist party positions exhibit a comparable level of dispersion. The large variance is in part due to the larger quantity of political statements after the referendum. However, it also reflects internal debates and dissent about the way forward and the best course of action in the near future.

The overall question that is debated, especially in Germany and Austria, is the degree to which

Brexit can serve as a direct role model for the respective national strategy. This suggests that the learning mechanism we propose plays a key role in shaping populist strategy and discourse in Europe. In Germany, the statements by Höcke and von Storch cited above are complemented by more cautious positions. The AfD candidate for the election to the House of Representatives in Berlin, Georg Pazderski, for example, said with regard to the Brexit referendum "it is a bad day for the cohesion within Europe". In similar vein, AfD vice-president Alexander Gauland expressly opposed the idea of a referendum on Germany's EU membership saying he would not want to "to launch a new campaign tomorrow", and instead supported the idea of an EU organized as a "Europe of Fatherlands" (Kamann 2016). In Austria, too, cautionary voices complement more extreme demands. For instance, regional FPÖ head Manfred Haimbuchner opposed speculations about an exit of Austria from the EU and said that he could even imagine a deeper integration in some areas, such as the EU's Common Foreign and Security Policy (Die Presse, 2016).

Third, there is a sharp drop in the aggressiveness of demands in the years following the Brexit referendum that coincide with the increasingly painful Brexit negotiations between the UK and the EU. The most extreme positions such as outright demands to exit the EU or to hold referendums similar to the British one disappear entirely. Instead, there is a clearly visible trend towards a moderation of demands. For the most part demands now gravitate toward an acceptance of European integration coupled with calls for 'reforms from within'. In Austria and Ireland populist party positions even include explicit statements of support for the status quo of European integration, such as the previously mentioned statements in support of European security cooperation or general support for European trade integration and the Single Market. In Austria, Norbert Hofer moderated his stance toward a reform position as early as December 2016, saying: "I never welcomed the Brexit vote. I said that I assume that there will be new treaties within the EU because of Brexit. […] I think it would be necessary to consider how we can better organize the Union. I am convinced that the European project is not yet lost: with a subsidiary Union we can certainly move into a positive future" (Nowak and Götz 2016). FPÖ party head Heinz-Christian Strache stated his call for 'reforms from within' in fall 2017 by explicitly referencing the deterrent effect of the Brexit, saying he hoped that the "the right lessons" would be drawn from the "warning signal Brexit" (Die Presse 2017). The Austrian press has been particularly vocal about the FPÖ's change of course. In June 2017, a year after the Brexit referendum, *Die Presse* writes "Statements concerning a withdrawal from the Euro or the EU have become unpopular. This was one of the reasons why the FPÖ changed its European policy position during the presidential election campaign. Statements on the Öxit were reversed, and proposals for a new EU vote in Austria were no longer pursued. Leaving the EU is more unpopular than it has been for years" (Böhm 2017, also see: Der Standard, 2017). In early 2019, *Der Standard* puts it even more bluntly: "Öxit. This was to be pushed as often as possible. But the FPÖ doesn't want to talk about it anymore because for years a large majority of Austrians have been in favor of remaining in the Union. Especially since the chaos surrounding Brexit, nobody seriously thinks about the option of an Öxit" (Oswald, 2019).

In Ireland, in 2019, the Irish PBP MP Richard Boyd Barrett, who called for Irexit in 2016 said:

"We believe very strongly in Europe and internationalism but we have big criticisms of the European institutions" – a strong shift towards a reform stance (Kelly, 2019). The journalist adds that "The Brexit being pursued by the UK Tory party is not the same as the British withdrawal from the EU which People Before Profit supported three years ago" (Kelly, 2019). *The Irish Independent* similarly writes: "One key point of consensus [since Brexit] has been Ireland's loyalty to the EU. Even traditionally Eurosceptic parties like Sinn Féin have made it clear that they consider continuing EU membership vital to Ireland's interests. […] The hard-left in Ireland has long been anti-EU. From a more right-wing perspective, [party leaders] vocally endorsed the view that Ireland was 'closer to Boston than Berlin'. […] Indeed, in late 2016 with the UK in a mess, the Boston option then became even less attractive when Donald Trump took the presidency. […] In any event, the extent to which the UK and US would ever have been partners for a country as small as Ireland was very questionable." (McCrea 2018). The descriptive data and the statements of party officials and media commentary supports the argument that the UK's chaotic Brexit experience in the UK is a primary driver of these trends toward moderation. These statements further point to the existence of a learning process on the side of political elites. Overall, our findings support our theoretical expectations about the moderation of populist statements in the face of discouraging or 'deterring' new information.

Moreover, there is a general trend among challenger parties to simply talk less about the question of European integration, especially in Germany and Ireland. In Austria, this trend is less pronounced – largely due to the fact that the FPÖ is in government between late 2017 and mid-2019 (in a coalition with the conservative ÖVP) and is thus present in the news more often as well as forced to publicly position itself on policy issues including EU policy. This finding is in line with our theoretical expectations about the quantity of populist statements.

Lastly, there is a visible effect of the 2019 European Parliament elections. In the run up to the elections, we generally observe a higher quantity of statements again as parties position themselves during the election campaign. We also see that the election campaign leads to some renewed intensification of demands. Yet in none of the countries in our sample do we see a recurrence to the levels of demands uttered in 2016 and for the most part populist demands remain well within the moderate reform camp, echoing evidence provided by van Kessel et al. (2020), who fail to find an uptick in support for EU-exit in eurosceptic parties' election manifestoes. Only in Germany do we observe some demands for reforms in the shadow of a referendum threat (*Reform or Leave*) that are made during internal debates about the election strategy. However, the official AfD election manifesto ended up siding with the moderates and did not contain any reference to 'Dexit' scenarios. As one commentator put it: "they shy away from the devastating British example in the campaign" (Hoenig, 2019). The EP elections essentially force populist parties to publically position themselves on EU policy even though they might otherwise prefer to keep silent on this issue. For our purposes, the EP elections are useful because they allow us to elicit populist parties' policy stances. The fact that we find a more moderate policy stance compared to mid-2016 even in election times, where eurosceptic parties would under normal circumstances set themselves apart from

other parties by making their alternative policy position explicit, is further evidence for the deterrence mechanism we propose.

Our descriptive data suggests that the Brexit process is correlated with the policy positions of challenger parties. The trends and patterns discernible in Figure 3 are also evident in a more systematic investigation. Table 2 presents the results of regression analyses of challenger parties' statements about the EU. It examines how the aggressiveness of these statements is related to our two quantitative measures of the UK's Brexit success, and additional covariates described in section 3. The first three models are based on the objective measure of market sentiment about Brexit (the exchange rate measure), while models 4 through 6 are based on our hand-coded evaluation of Brexit events. Models 1 and 4 present the baseline results in a univariate regression setting. Models 2 and 5 include all variables. Models 3 and 6 represent the most conservative estimates and include a full set of country and newspaper fixed effects to eliminate possible unobserved heterogeneity.

Table 2: ***European Challenger Parties*** *– Aggressiveness of Demands toward the EU*

	Brexit evaluation (exchange-rate)			Brexit evaluation (hand-coded)		
	baseline	full	full + FE	baseline	full	full + FE
Intercept	–4.638***	– 6.866***	–7.495***	1.086***	0.616***	0.652***
	(1.308)	(1.383)	(1.433)	(0.094)	(0.160)	(0.172)
Brexit evaluation (X-rate)	4.086***	5.379***	5.841***			
	(0.936)	(0.984)	(0.995)			
Brexit evaluation (Hand-coded)				0.338***	0.482***	0.512***
				(0.081)	(0.084)	(0.086)
European Parliament elections (run up)		0.601*	0.570*		0.671**	0.636*
		(0.244)	(0.252)		(0.245)	(0.255)
National elections (run up)		0.213	0.183		0.212	0.155
		(0.242)	(0.262)		(0.238)	(0.260)
Bargaining power rel. to EU (% of GDP)		2.891*			3.061*	
		(1.230)			(1.211)	
Trade exposure toward UK (% of exports to UK)		1.790			2.440	
		(3.101)			(3.033)	
Germany			0.570			0.631
			(0.410)			(0.408)
Ireland			0.351			0.473
			(0.420)			(0.418)
Country FE	N	N	Y	N	N	Y
Newspaper FE	N	N	Y	N	N	Y
N	60	60	60	60	60	60
R^2	0.247	0.440	0.518	0.231	0.456	0.522

Notes: The dependent variable is the aggressiveness of challenger party demands toward the EU (*Levels*: 0 = Status quo, 1 = Reform, 2 = Leave unless Reform, 3 = Leave). Standard errors in parentheses. Fixed effect estimates not shown. ***, **, and * indicate significance at the .001, .01 and .05 levels, respectively.

The analysis reveals a strongly positive and statistically significant relationship between the UK's

Brexit experience and the aggressiveness of demands toward the EU brought forward by populist challenger party in our sample that holds across all specifications. The positive coefficient suggests that as long as Brexit appears to go well for the UK, populist challenger parties are encouraged to follow the UK's example and equally advocate for their country's exit from the EU or significant EU reform – a clear encouragement effect. As Brexit begins to look less and less successful, however, Brexit increasingly has a deterrence effect that leads challenger parties to tone down their demands and advocate for more moderate positions of the 'reform from within' variety. The analysis also suggests that this mechanism is substantively important. The R^2 values of the univariate models 1 and 4 show that the Brexit evaluation measures alone explain almost 25 percent of the variation in populist party positions toward the EU.

Our results also confirm that challenger parties become more aggressive in the run-up to the European Parliament elections as suggested by Figure 3. However, this effect is smaller in both substantive and statistical terms than the effect of the Brexit trajectory. Somewhat surprisingly, national elections have no effect on challenger parties' publicized policy stances about the EU. Moreover, challenger parties in countries with more bargaining power, that is a higher relative importance within the EU engage in a more aggressive rhetoric vis-à-vis the EU, possibly because of greater hopes to be able secure better deals from the EU in the event of an exit and a higher expected feasibility of "going it alone" (De Vries 2018).

Zooming in: EU Strategic Reasoning and Unity versus UK internal Dissent

Our theoretical argument is based on the notion that Brexit presents a precedent that provides hitherto unavailable information on the prospects, desirability and feasibility of the withdrawal from an international institution. We hold that this information affects the demands and positions of populist eurosceptic parties in other European countries. In the previous section, we presented visual, statistical, and qualitative evidence in support of this claim by demonstrating that the statements and demands of populist challenger parties underlie considerable encouragement and deterrence effects that originate from the UK's Brexit experience.

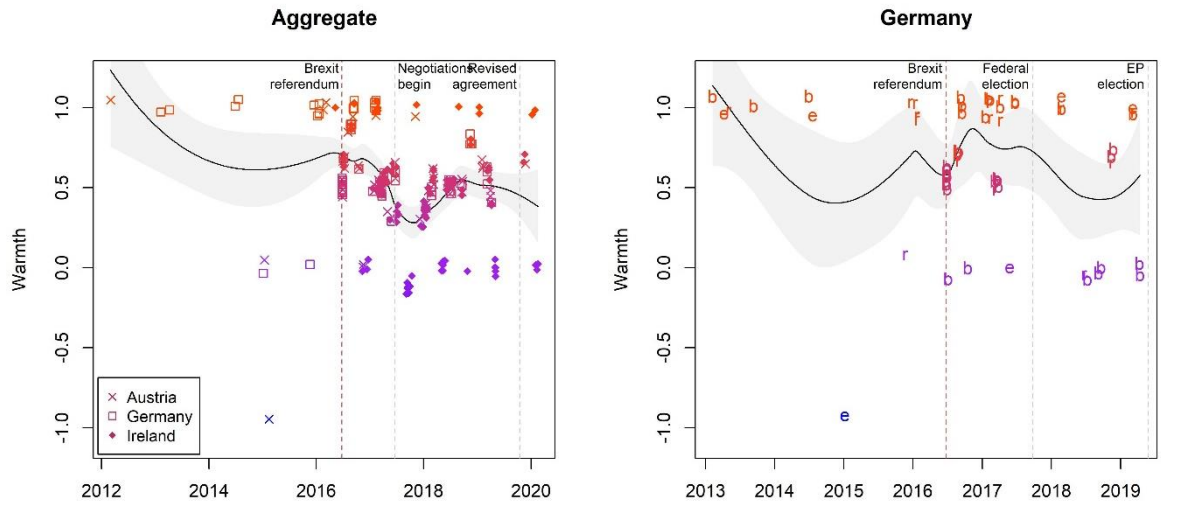
Our theory also suggests the sequence in which these encouragement (first) and deterrence (second) effects should be observed and describes mechanisms that produce this sequence: First, because populists tend to capitalize on vague promises and diffuse fears rather than actual solutions to existing problems, we expect the information generated from populists moving into government to generally point into a deterring direction as populist governments struggle to deliver on the promises they made in election times. In the British case, these tendencies are visible, for instance, in the hardline stance of many Brexiteers, stubborn statements about 'Brexit means Brexit', and the selection of ministers based primarily on their devotion to 'Leave' (e.g., Blanchard 2019, Mardell 2016). These positions have had the additional effect of causing considerable internal dissent – within government as well as between government and parliament. This weakened the UK's ability to actually manage the Brexit process and undermined its bargaining position vis-à-vis the EU.

These problems were further reinforced by the strategic incentives of the EU. Once the withdrawal process was triggered and the initial encouragement effect produced, the EU had incentives to suppress and, ideally, revert such encouragement effects. In this sense, the UK's withdrawal experience is not simply the result of exogenous circumstances, but amplified by the fact that the EU has incentives to *actively* push for a deterrent rather than an encouragement precedent to fend off further threats to its structural integrity. Phrased in the context of the *accommodation dilemma*, the EU's strategy goes well beyond the goal of minimizing immediate withdrawal costs by allowing a smooth transition of the UK out of the Union.

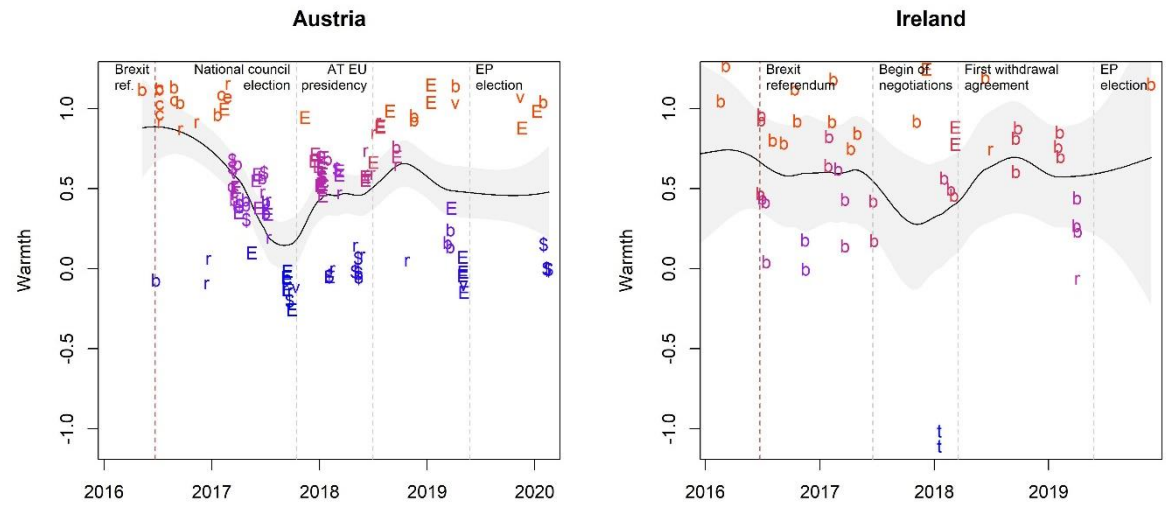
We now investigate this logic in greater detail. We first focus on the EU's incentives and negotiation strategy. We then discuss how the differential abilities of the EU and the UK to manage the Brexit process ultimately contributed to UK's chaotic Brexit experience – thus closing the loop to the moderating effects of the 'Brexit precedent' on populist disintegration demands.

We begin by documenting one key feature of the EU's and it's member states' reaction to Brexit – a consistent internal cohesion and alignment of policy goals. This unity overwhelmingly brushed aside national interests in favor of a common position and allowed the EU to enter the Brexit negotiations from a position of strength. Figure 4 demonstrates this cohesion graphically (here, we slice our data to the subset *Subject* = *Established party, Object* = *EU*). The figure plots the warmth of statements (warm = 1, neutral = 0, cold = –1) by national politicians from established parties toward the EU over time. It shows that support for the EU remains consistently high and only fluctuates around or above the top quartile.[21] The strong EU support among the countries in our selection is especially apparent when compared to Figure A1 in the appendix, which plots the warmth of statements toward the UK over time (i.e., *Subject* = *Established party, Object* = *UK*).

Figure 4: ***Established Parties and Governments*** *– Warmth of Statements about the EU over Time*



[21] In fact, the largest dips in warmth toward the EU that can be seen in Figure 4 are unrelated to Brexit. For Germany the lowest dip is due to the Euro-crisis and the Greek bailout question in 2015. For Austria, we see a strong effect of the 2017 national elections, where the election campaign was dominated by immigration issues. In Ireland, the low point stems from EU pressure concerning the Irish corporate tax regime.



Notes: Points describe the warmth of statements reported in national newspapers, ranging from –1 (negative) to +1 (positive). Positions are averaged by month jittered for better visibility. Lines and shaded areas are loess estimates with 95% confidence intervals to visualize dominant time trends. Dashed vertical lines indicate relevant events. Letters indicate the policy context: b = Brexit, r = refugees and immigration, e = Euro-crisis, t = tax policy, c = challenger parties, v = elections/voting, $ = EU budget, E = EU generally.

Germany as a core EU country overall shows highest levels of pro-EU statements. As we document below, Germany took a particularly active role in the early European response toward Brexit as can be seen from the strongly supportive stance between mid-2016 and throughout 2017. The dip in warmth just around the Brexit referendum stems from calls for caution by German officials with regard to the further European strategy in the ace of the 'Brexit shock'.

Table 3 examines this relationship statistically. Columns 1 to 3 examines statements made with reference to Brexit (*Context* = *Brexit*), whereas columns 4-6 considers mainstream parties' overall discourse about Brexit. With regard to Brexit, the analysis shows little movement of warmth toward the EU over time or across countries. This reflects the consistently high national EU support. We only see slight cool downs in the run-up of national elections and in relation to Austria's EU presidency (due to government participation of the FPÖ at the time).

The picture looks somewhat more dynamic when considering all statements toward the EU (*Context* = all). We again see the cooling effect of national elections. However, we also see a pro-EU stance of established parties in European Parliament elections (for similar results, see: Schulte-Cloos 2018). The more pronounced election coefficients compared to the Brexit-only sample are likely due to the fact that Brexit is less of an election relevant topic compared to questions like immigration or EU finances.[22] The results further reaffirm the strong pro-EU position of Germany captured in the *Bargaining power* coefficient as well as the dampening effect of the Brexit shock immediately after the 'Leave' vote. The positive coefficient estimates on our Brexit evaluation measures indicate that, overall, warmth toward the EU tends to decline as the UK's Brexit experience becomes more negative and the encouragement effect of Brexit therefore weakens. This results is primarily driven by an upcoming reform debate in the EU that seeks to draw lessons from

[22] It is interesting to note that national and EP elections move established parties' EU-related statements in opposite directions. This is likely due to the electoral pressure generated by eurosceptic challenger parties in the national context that plays less of a role in the EP setting where a party's stance on the EU is at the core of the electoral competition.

Brexit and its underlying causes such as immigration. The fact that these self-critical debates arise when the most immediate risk of encouragement and contagion is mitigated, however, is only the mirror image of the fact that European unity is highest at the time of greatest need for internal cohesion and swift common action.

Table 3: ***Established European Parties*** *– Warmth of Statements about the EU*

	Brexit-related statements			All EU-related statements		
	full	full	full + FE	full	full	full + FE
Intercept	1.142 (0.828)	0.586*** (0.113)	0.634*** (0.087)	–1.356** (0.412)	0.487*** (0.043)	0.540*** (0.046)
Brexit evaluation (X-rate)	–0.409 (0.578)			1.326*** (0.297)		
Brexit evaluation (Hand-coded)		–0.072 (0.051)	–0.095 (0.055)		0.125*** (0.025)	0.109*** (0.027)
Brexit shock (week after referendum)	–0.174 (0.110)	–0.147 (0.108)	–0.122 (0.134)	–0.310** (0.095)	–0.318*** (0.094)	–0.302** (0.107)
European Parliament elections (run up)	–0.137 (0.119)	–0.214 (0.130)	–0.253 (0.134)	0.166* (0.071)	0.218** (0.074)	0.187* (0.078)
National elections (run up)	–0.166 (0.083)	–0.169* (0.081)	–0.188* (0.085)	–0.193*** (0.048)	–0.208*** (0.048)	–0.220*** (0.051)
EU presidency (incumbency effect)	–0.311* (0.140)	–0.392** (0.147)	–0.453** (0.153)	0.103 (0.074)	0.139 (0.076)	0.106 (0.079)
Bargaining power rel. to EU (% of GDP)	0.505 (0.411)	0.556 (0.404)		0.551* (0.251)	0.579* (0.246)	
Trade exposure toward UK (% of exports to UK)	0.966 (1.017)	1.040 (1.004)		0.457 (0.581)	0.453 (0.574)	
Germany			0.122 (0.156)			0.111 (0.133)
Ireland			0.094 (0.102)			0.065 (0.070)
Country FE	N	N	Y	N	N	Y
Newspaper FE	N	N	Y	N	N	Y
N	73	73	74	179	179	179
R^2	0.174	0.193	0.231	0.261	0.275	0.266

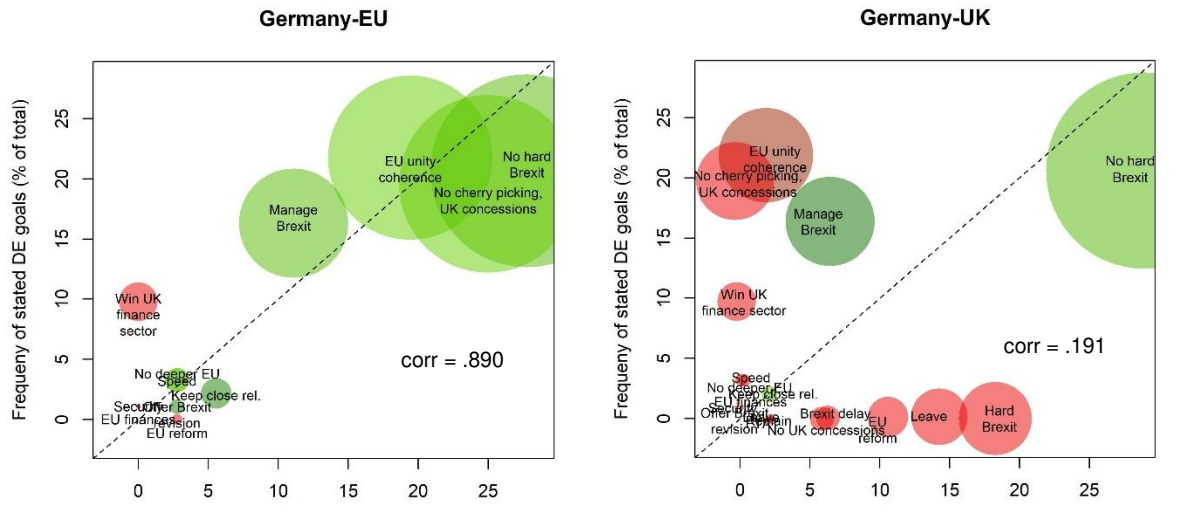
Notes: The dependent variable is the warmth of established party member statements about the EU, ranging from –1 (negative) to +1 (positive). Standard errors in parentheses. Fixed effect estimates not shown. ***, **, and * indicate significance at the .001, .01 and .05 levels, respectively.

Although the overall unity between national political elites and the EU is helpful for a strong negotiation position, it only allows limited insight into the details of the EU's negotiation strategy. To uncover these details, we now move to a more fine-grained analysis of EU and national policy goals. Figure 5 maps these policy goals (for each Subject, we slice our data to *Object* = all, *Context*

= *Brexit*).[24] It compares the overlap in stated policy position between pairs of actors. The circles represent individual policy goals. The position of the circles indicates the relative frequency in with which policy goals are mentioned. The size of the circles represents the overall frequency of the goals. For example, in the top left panel it can be seen that around 17 percent of the German political elite's stated goals fall into the "manage Brexit" category, while this category comprises some 12 percent of all stated EU goals. We assume that if two actors had perfectly aligned goals, they would state the same goals with the same frequencies. In this case, all circles would line up along the dashed diagonal lines, indicating a correlation of 1 (bright green). By contrast, if goals are fully contradictory, circles would line up along the axes, indicating a correlation of 0 (dark red).

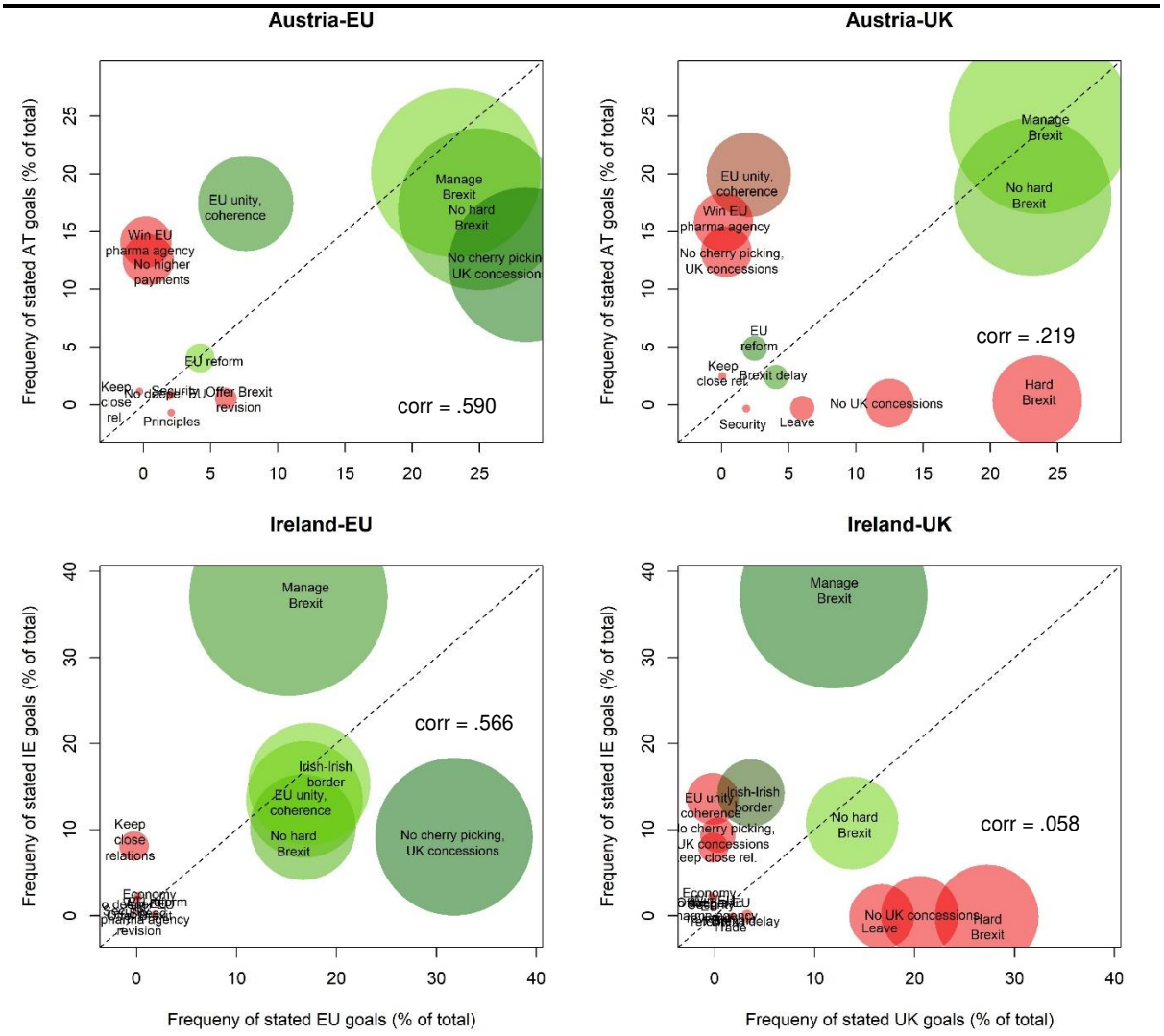
The three left panels of Figure 5 immediately reconfirm the overall strong policy cohesion between remaining EU member's and the EU more generally (with correlations ranging from .57 to .89). This is in marked contrast to the three right panels that show considerable antagonism in goals between remaining EU member's and the UK (with correlations ranging from .06 to .22) with the only overlap being to avoid a hard Brexit, if possible, and managing the situation more generally. There are only a handful of non-alignments in goals between our three EU members and the EU at large. These have to have to do with Germany's particular interest to win over the UK finance sector for Frankfurt; with Austria's interest to win over the European Medicines Agency (EMA) to Vienna; and with Austria's unwillingness to pay more into the EU budget to make up for the UK's contributions. Ireland's desire to keep up its close economic ties with the UK also stands out as an asymmetrically voiced interest – although these preferences were more than offset by the strong Irish pro-EU stance following Brexit as noted above.[25]

Figure 5: ***Overlap of Stated Brexit Policy Goals*** *– National Politicians vis-à-vis the EU and the UK*



[24] The focus on all Objects is useful for this analysis because many goals such as "Manage Brexit" are directed pursued by engaging with multiple counterparts on the national and EU level as well as with the UK.

[25] Overall, the share of the goal to 'keep close relations' with the UK relative to all goals and our trade exposure variable correlate with .99. The close economic linkages to the UK also made Ireland more supportive of EU concessions toward the UK prior to the Brexit referendum. In 2015, Ireland's head of government Enda Kenny said that Ireland will back changes to the EU if this helps prevent Britain exiting the union, indicating that the Government would support "reasonable adjustments" if necessary (O'Connor, 2015).



Notes: The panels compare the overlap in stated policy position between the indicated pairs of actors. Circles represent policy goals. The position of the circles indicates the *relative* frequency with which policy goals are mentioned. The size of the circles represents the *overall* frequency of the goals. The y-axes show the frequency of stated policy goals by national politicians (established parties) as a percentage of all statements. The x-axes show the same measure for the EU and the UK, respectively. It is assumed that if two actors had perfectly aligned goals, they would state the same goals with identical frequency (i.e., more important goals, more frequently). In this case, all circles would like up along the dashed diagonal lines – indicating a correlation of 1. If goals are fully contradictory, circles would line up along the axes – indicating a correlation of 0. Underlying N = 134, 147, 104, 94, 188, and 209 (horizontally from top-left to bottom-right).

Crucially, Figure 5 also offers an insight into the accommodation dilemma and the wider EU strategy toward the UK. On the one hand, both the EU and its remaining members seek to avoid a hard Brexit – a goal that could in theory be reached through an accommodative negotiation strategy. On the other hand, however, the insistence that there can be no cherry-picking on side of the UK and the constant demand for UK concessions – the most frequently referenced EU goal – reflects the deterrence strategy.[26] Throughout the Brexit negotiations, the EU – with the backing

[26] Note that the overlap in this tough negotiation stance is greatest between the EU and Germany. This is reflective of Germany's relatively large bargaining power, which allows a more self-confident position toward the UK. In contrast, Austria and Ireland are comparatively stronger focused on softer diplomacy. This is true both internally ("EU unity") and externally toward the UK ("Manage Brexit"). The former goal is pursued in particular by Austria during its EU presidency. The latter role is filled by Ireland, especially during the 2019 negotiations with the Johnson government that lead up to the revised Brexit agreement.

of the remaining members – has denied the UK any special treatment that would amount to a preferential treatment compared to non-EU members.

The EU's tough stance began immediately after the Brexit referendum, with the EU and national politicians pressuring the UK to speedily initiate the official withdrawal process to prevent political instability and economic uncertainty (Wiegmann, 2016). A closer look at the relevant statement reveals the underlying rationale: German vice-chancellor Sigmar Gabriel worried that populist parties would benefit from the situation and that "centrifugal forces" in Europe would increase: "The Brexit referendum has divided Britain. To prevent Brexit from dividing Europe, too, the heads of state and government must now swiftly act and provide clarity" (Fried et al., 2016). This statement clearly reflects the concern that the encouragement effect of the Brexit vote would lead to further disintegration pressures. Implicitly, Gabriel's statement may be read as a call for counteracting deterrence policies.

After the initial pressure for the fast initiation of the official withdrawal process, the EU insisted on managing the 'divorce' before any talks about the future relationship would begin. Eventually, the EU decided, when sufficient progress had been reached to move to Phase II of the negotiations – namely after the UK had made the sought after concessions concerning its financial obligations and the permanent status of EU citizens in the UK. This hard stance continued throughout the negotiations, with the EU repeatedly refusing to move away from its principles despite the ongoing uncertainty and associated costs that the dragging negotiations produced.

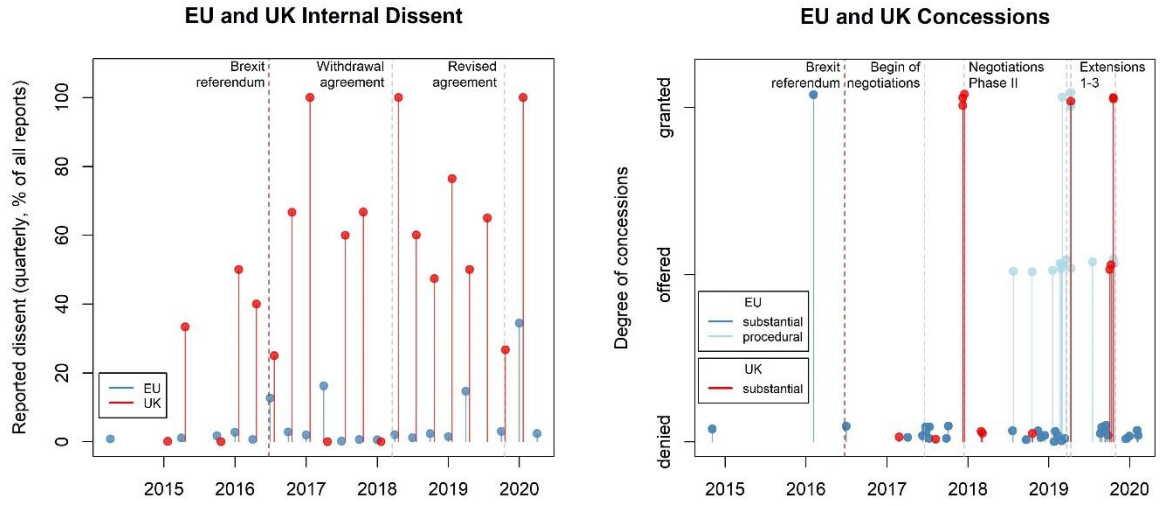
While there was a clear appreciation of the economic costs associated with the possibility of the UK leaving the European Single Market, the political costs from a 'domino effect' were recognized as well. In the German Ministry of Finance, the encouragement effect was explicitly discussed: The position was that there cannot be an automatic unconditional access the Single Market because this could spark "imitation tendencies" in countries with strong populist parties such as France, Austria, Finland, the Netherlands and Hungary. The "extent and scope of the imitation effects will depend to a large extent on how the UK is dealt with" an internal position paper reads, while the assessment the German Foreign Office was that "we need a clear statement: There must be no re-nationalization" (Sturm et al., 2016). An Austrian MP was cited in 2017 as saying: "This [Brexit] must under no circumstances turn into a success for the British, otherwise we can write off the EU and it falls apart" (Schaffer 2017).

Thus, there was a clear awareness of the short-term and long-term consequences of the EU's response to the UK. The initial concern was clearly driven fact that the 'Leave' vote occurred and that this initially sparked demands by populists as shown in Figure 3 and Table 2 above. The more general worry, however, was that Brexit could lead to more sustained encouragement effects if the British actually end up with a better deal than what could be had within the EU.

An additional set of EU concerns related to the possibility that the UK might become an 'unfair' competitor outside of the EU's regulatory influence. If the UK was allowed unconditional access to the Single Market while at the same time being able to set its own competition rules, the UK could gain competitive advantages by undermining European social and environmental standards. This would not only present an encouragement effect for eurosceptic populists. It would also

undermine the EU's economic foundation and social cohesion by exacerbating trade competition and inequality – and thereby reinforce some of the factors that led to the rise of populism in the first place. In this context, German chancellor Angela Merkel spoke of a "competitor on our doorstep" and insisted that the further Britain moves away from EU rules, the more limited its access to the Single Market will be (Kolb and Finke 2019; Bolzen 2019; Finke 2020). In the same spirit, Austrian trade unionist Wolfgang Katzian spoke of a "Singapore at the gates of the EU" (Böhmer 2019). Recently, EU Commission President Ursula von der Leyen reiterated what has been the EU position throughout: "There is no free ticket to the Single Market – only rights and obligations" (Bolzen 2020).

Figure 6: ***Dissent and Concession*** *– Comparing EU and UK Unity and Negotiation Success*



Notes: The left panel plots the percentage of news reports that document internal dissent in the EU and the EU in a given quarter. A value of, say, 50 percent indicates that half of all reports in that quarter referenced internal dissent. The right panel shows the reported number and type of concessions made by the EU and the UK, respectively. Possible options are denied (no concession), offered (offered to make a concession), and granted (actually made a concession). For the EU, dark blue indicates substantive concessions, while light blue indicates procedural concessions (i.e., the offering or granting of delays in the Brexit process).

These factors and considerations help explain why the EU consistently managed to maintain internal unity and a consistent – as well as tough – bargaining position toward the UK despite evident short-term costs of this strategy. The Brexit proponents and government officials in the UK, however, appear to have failed to fully recognize these incentives. Rather, British officials were constantly frustrated that they could not get through with their demands against the EU (which has a bargain power advantage to begin with). This aggravated pre-existing internal divisions in the UK and led to a situation of almost constant internal quarrel and stalemate with the EU.

Figure 6 (left panel) shows this situation graphically based on our data. The left panel plots the percentage of news reports that mention internal dissent in the EU and the UK in a given quarter. A value of fifty percent indicates that half of the reports in that quarter reference internal dissent. While dissent is rare in the EU, it is a constant feature of British politics throughout the Brexit negotiations. The right panel of Figure 6 links these conditions to negotiation outcomes. Specifically, the figure shows the type of concessions made by each party over time. The categories for

each side range from 'denied' (the side made no concession/denied to make concessions), 'offered' (the side offered to make a concession), and granted (the side actually made a concession). The panel demonstrates that internal levels of dissent and the type and number of concessions made during the Brexit negotiations clearly move in the same direction: UK concession strongly outweigh EU concessions. In fact, the one major EU concession is the acceptance of reforms concerning the UK's EU membership prior to the Brexit referendum; a concession that was never implemented due to the UK's 'Leave' vote. Thereafter, EU concessions are procedural rather substantive in nature (light blue) and concern the granting of delays and extensions in the Brexit negotiations. At the same time, the EU has consistently refused to re-open negotiations on the withdrawal agreement.

By contrast, the UK makes a range of substantive concessions. This begins with accepting the EU's terms on the 'divorce bill' and the permanent status of EU nationals in the UK that made the EU decide that 'sufficient progress' had been reached to move to Phase II of the negotiations. The UK then concedes taking part in the 2019 European Parliament elections to secure an extension of the Brexit deadline. The last major concession consists of Boris Johnson accepting an internal maritime border in the Irish sea in order to 'get Brexit done' – a concession that Theresa May had earlier said "no British prime minister could ever accept" (The Irish Times 2018).

6 Discussion and Conclusion

With these concessions, the UK has bought its way out of the European Union, which it officially left by 31 January 2020. While this means that the Brexiteers have achieved their goal to withdraw from the EU, they have so far achieved little more. In particular, the UK's achievements fall far short on what the Brexiteers promised before the referendum. When the transition period (which de facto extends the UK's EU membership status) ends by the end of the year, it remains to be seen to what degree the UK will be able to benefit from its newly gained sovereignty.

In particular, with regard to the hoped-for trade deals, the prospects do not look too well. The EU has made its preparations for a hard Brexit and appears unlikely to offer a better deal in the future than it has in the past. The U.S. has not been the easiest partner under the Trump Administration and the upcoming U.S. elections, the Corona situation, and Black Lives Matter mean that the priorities in Washington currently lie elsewhere. Yet even under 'normal' circumstances would the UK likely have a hard time to negotiate substantive trade agreements with both the U.S. and the EU given the widely differing views on social and environmental standards on both sides of the Atlantic and the difficulties to reconcile these in overlapping trade regimes.

But also beyond trade, the future currently looks quite uncertain for the UK. While this is no good news for the British, it may be seen as good news by those who worry about the threat of populism across the rest of the EU and beyond – because the UK's Brexit experience provides new information on where the lure of populists might lead.

In this article, we presented evidence from a news media analysis of elite discourse in three EU

member states, which suggests that Brexit did indeed create a deterring precedent. At least temporarily, this precedent appears to have significantly reduced the appeal of populist arguments and lead eurosceptic parties to tone down their demands and moderate their positions.

According to our argument, the deterrent content of Brexit comes from two sources. One the one hand, we hold that populist arguments, which typically promise simple solutions to complex problems, have an inherently self-defeating component when put to the test. In office, it is harder than in the opposition role to talk away problems or accuse others of at their heart. Somewhat ironically, this makes too much success dangerous for populists because, in office, they need to actually deliver what they promised. The visibility of government office, the requirement to act rather than only talk, and constant media scrutiny provide a wealth of information to the public. This allows observers both at home and abroad to learn about the incumbent's merits. The Brexiteers arguably did not do all too well in this process. And it remains to be seen if Donald Trump survives this year's elections given his current record in office.

On the other hand, we content that this 'baseline effect' can be further reinforced by strategic actors. Concretely, in the context of withdrawals from international institutions, we hold that the institution itself has incentives to accept short-term costs to gain long-term stability by making life harder for anti-globalist populist governments. While the weight of this option is likely to depend on the bargaining power of the withdrawing state relative to the affected institution, this effect is likely to play some role in any potential withdrawal case. In the context of the EU, which is at the more powerful end of the spectrum, this effect has certainly played a major role and has likely helped to ensure the unity of the remaining 27 members for years to come.

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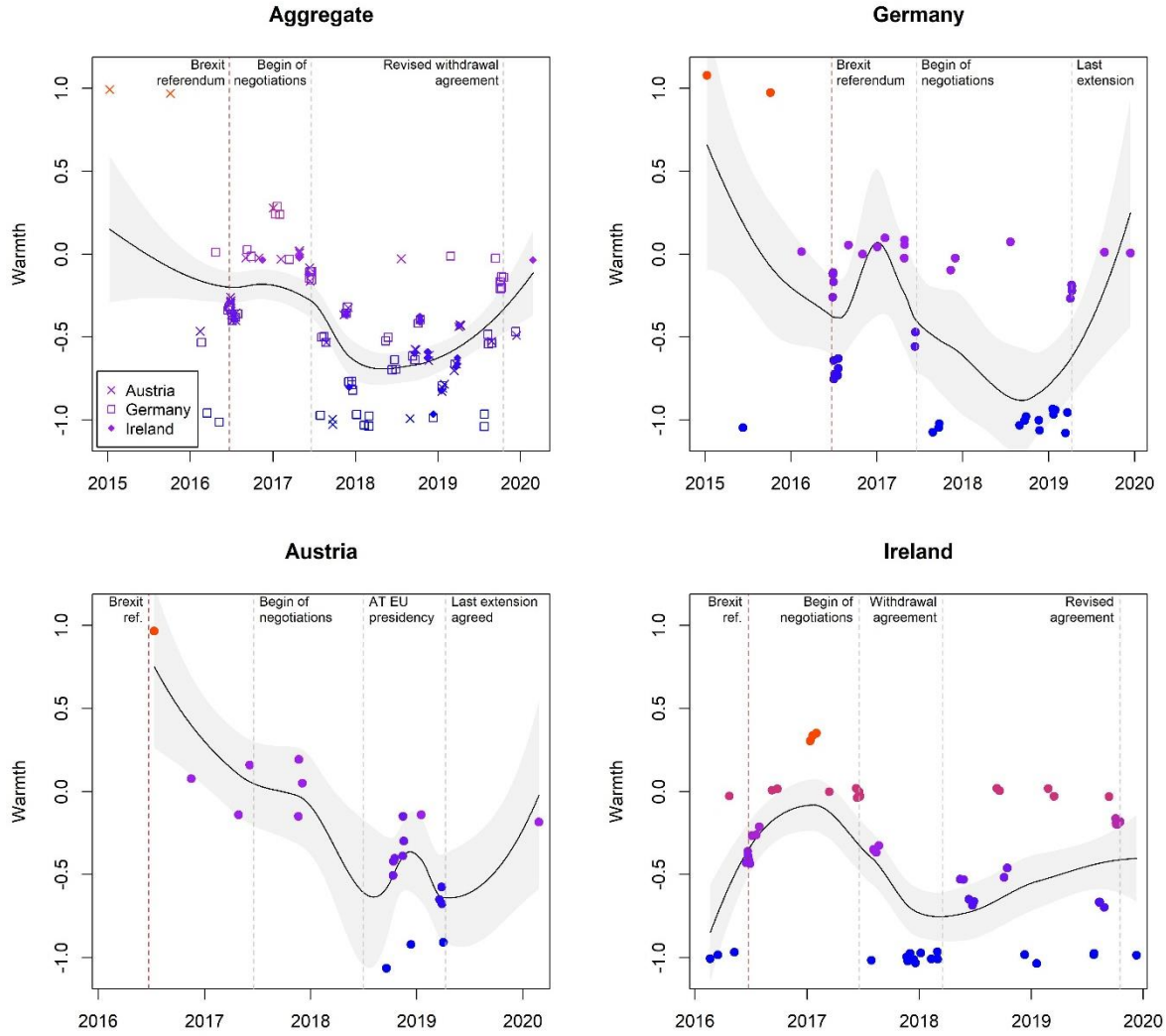
Appendix

Figure A1: ***Established Parties and Governments*** *– Warmth of Statements about the UK over Time*



Notes: Points describe the warmth of statements reported in national newspapers, ranging from –1 (negative) to +1 (positive). Positions are averaged by month jittered for better visibility. Lines and shaded areas are loess estimates with 95% confidence intervals to visualize dominant time trends. Dashed vertical lines indicate relevant events.

Table A1: ***Text-Corpus Sources*** *- Daily Newspapers by Country*

Country	**Newspaper**	**Ideological leaning**
Austria	*Der Standard*	liberal
Austria	*Die Presse*	liberal, center-right
Austria	*Kurier*	liberal
Germany	*BILD*	center-right
Germany	*Die Welt*	center-right
Germany	*Süddeutsche Zeitung*	center-left
Germany	*Handelsblatt*	liberal
Ireland	*Irish Daily Mail*	center-right
Ireland	*Irish Independent*	center-right
Ireland	*The Irish Times*	liberal

Notes: Newspaper selection based on largest (highest circulation) nation-wide appearing dailies. Selection also reflects some availability constraints and an effort to achieve somewhat balanced leaning distribution.

Table A2: ***Text-Corpus Search Terms*** *– Selection Criteria for Corpus Documents*

Search terms packages	**Package content**
(Brexit OR (UK OR United Kingdom OR Britain) w/5 (EU OR European Union) w/5 (withdraw* OR leav* OR ((remain* OR continu*) w/5 member*)) OR (UK OR United Kingdom OR Britain) w/5 ((referendum OR renegotiat*) w/5 member* w/5 (EU OR European Union)) OR (UK OR United Kingdom OR Britain) w/5 (relations OR relationship w/1 (with OR to)) w/5 (EU OR European Union OR Europe))	*Brexit and the UK's withdrawal from the EU*
OR	
(XXX w/5 (EU OR European Union) w/5 (withdraw* OR leav* OR ((remain* OR continu*) w/5 member*)) OR YYY w/5 (relations OR relationship OR public opinion OR attitude w/1 (with OR to)) w/5 (EU OR European Union OR Europe)) OR (XXX w/5 (referendum OR renegotiat*) AND member* w/5 (EU OR European Union) OR YYY w/5 ((EU OR Europ*) w/5 integration))	*The target country's (potential) withdrawal from the EU*
OR	
(XXX w/10 ((euro-sceptic* OR anti-euro* OR euro-phil* OR pro-euro*) OR (eurosceptic* OR antieuro* OR europhil* OR proeuro*))) OR ZZZ	*Euroscepticism in the target country generally*

Notes: AND = Boolean 'and', OR = Boolean 'or'; * = wildcard; w/5 = 'within 5' (requirement for expressions to the left and right to be found within 5 words of each other); XXX = placeholder for country name wildcard (e.g., Ireland*); YYY = placeholder for country name wildcard of country adjective (e.g., Ireland* OR Irish); ZZZ = placeholder for country 'Brexit' equivalent (e.g., Irexit).

Table A3: ***How well is Brexit going?*** *Hand-coded Sentiment of Brexit Events (Figure 2, left panel)*

Date	Sentiment	Event
01/01/2012	0	Pre-Brexit.
23/01/2013	0	Cameron announces referendum; referendum is included in Tory election manifesto.
07/05/2015	2	Tories win elections.
19/02/2016	2	Cameron secures some EU concessions on the UK's EU membership.
23/06/2016	0	Brexit referendum – majority for "Leave" against Cameron's recommendation. EU concessions now vain.
24/06/2016	-3	Cameron resigns.
13/07/2016	-2	May becomes PM.
18/04/2017	-1	May announces a snap election to 'strengthen her hand' in negotiating Brexit.
22/05/2017	-1	EU adopts negotiating directives.
08/06/2017	-3	Tories lose majority in elections.
26/06/2017	-2	May forced to form minority government.
08/12/2017	-1	Breakthrough in Phase I reached. UK concessions.
15/12/2017	-1	EU agrees to move to Phase II.
19/03/2018	0	First draft Withdrawal Agreement.
08/07/2018	-2	Davis resigns in protest.
09/07/2018	-2	Johnson resigns in protest.
13/11/2018	0	UK and EU agree on Withdrawal Agreement.
14/11/2018	0	May secures her cabinet's backing for the deal.
25/11/2018	1	The agreement is endorsed by the leaders of the other EU27 member states but requires ratification.
10/12/2018	-2	May postpones the vote in the House of Commons on her Brexit deal, anticipating no support for the Agreement.
13/12/2018	-1	May survives a vote of no confidence.
15/01/2019	-3	Withdrawal Agreement rejected by Parliament (I).
12/03/2019	-3	Withdrawal Agreement rejected by Parliament (II).
20/03/2019	-3	May asks for Brexit extension.
29/03/2019	-3	Withdrawal Agreement rejected by Parliament (III).
10/04/2019	-1	Extension until 31 Oct. 2019 granted.
24/05/2019	-2	May announces resignation.
24/07/2019	0	Johnson becomes PM.
28/08/2019	-1	Parliament is suspended (Johnson).
03/09/2019	-2	21 Conservative MPs are expelled (Johnson).
09/09/2019	-1	Johnson obliged to seek 3rd extension by law (Parliament).
24/09/2019	-2	The UK's Supreme Court rules the suspension of parliament unlawful.
17/10/2019	1	Revised Withdrawal Agreement agreed. UK concession on Irish border.
19/10/2019	-1	Parliament temporarily withholds its approval for the revised agreement. Johnson is obliged to seek another Brexit extension.
28/10/2019	0	Third Brexit extension.
31/10/2019	0	Parliament calls a general election.
12/12/2019	0	Tories win election.
23/01/2020	1	Withdrawal Agreement is ratified.
29/01/2020	1	EP ratifies Withdrawal Agreement.
31/01/2020	0	UK leaves the EU.
01/02/2020	0	Transition period begins.
16/04/2020	-1	Johnson announces no extension of transition period. Hard Brexit likely.
16/06/2020	-1	No extension of transition period confirmed.

Notes: Subject = speaker, person making the statement. Object = object of speech, person or subject that is spoken about. Context = policy context in which the speaker's statement is made. Warmth = sentiment, friendliness of the subject's relation to the object. Action = speaker's (cited) activity or type of statement. Goal = speaker's (explicit or implicit) policy goal. Only Variables values that appear 10 or more times are cited above.

Table A4: ***Coding Scheme*** *– Variables, Variables Values, and Value Frequencies*

Subject	Object	Context	Warmth	Action	Goal
National established party (454)	EU (491)	Brexit (843)	Cold; negative (521)	Express worry (209)	EU unity; coherence (281)
Media; commentary (334)	UK leadership (388)	EU generally (164)	Neutral (503)	Diplomacy (206)	Manage Brexit (136)
EU politician (196)	National challenger Party (134)	National challenger party (124)	Warm; positive (248)	Statement (197)	No hard Brexit (88)
UK established party (145)	National established party (103)	Refugees & immigration (105)		Critique (161)	EU reform (85)
National challenger party (100)	Brexit process (88)	Elections (58)		Demand (147)	Concessions (63)
Economy; business (19)	Economy; business (28)	Euro crisis (38)		Express optimism (62)	Refugee & immigration policies (41)
UK challenger party (13)	Political system (15)			Deny (54)	Political system stability (33)
Scotland (10)				Be in dissent (54)	Peace (Irish-Irish border) (31)
				Report dissent (media) (48)	Leave the EU (34)
				Make offer (25)	(No) hard Brexit (dissent) (24)
				Express warning (22)	Brexit delay (24)
				Cite poll (media) (21)	Established party not being driven by challenger party (23)
				Concede (21)	No higher payments (EU budget) (21)
					Healthy economy; business (17)
					No cherry picking (17)
					No re-negotiation (17)
					Keep close relations to UK (16)
					No deeper EU integration (15)
					Win UK finance sector (11)
					EU reform or leave (challenger party) (16)

Notes: Subject = speaker, person making the statement. Object = object of speech, person or subject that is spoken about. Context = policy context in which the speaker's statement is made. Warmth = sentiment, friendliness of the subject's relation to the object. Action = speaker's (cited) activity or type of statement. Goal = speaker's (explicit or implicit) policy goal. Only Variables values that appear 10 or more times are cited above.